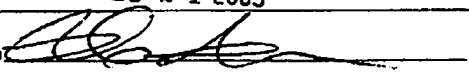





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PRE-APPEAL BRIEF REQUEST FOR REVIEW		Docket Number (Optional) NELSR-P01											
<p>I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to "Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)]</p> <p>on <u>FEB 24 2009</u></p> <p>Signature: </p> <p>Typed or printed name <u>Frank G. MORKUNAS</u></p>		Application Number <u>10/661,302</u>	Filed <u>09/11/2003</u>										
		First Named Inventor <u>NELSON, Robert</u>											
		Art Unit <u>3688</u>	Examiner <u>LASTRA, D.</u>										
<p>Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.</p> <p>This request is being filed with a notice of appeal.</p> <p>The review is requested for the reason(s) stated on the attached sheet(s). Note: No more than five (5) pages may be provided.</p> <p>I am the</p> <table border="0"><tr><td><input type="checkbox"/> applicant/inventor.</td><td></td></tr><tr><td><input type="checkbox"/> assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)</td><td>Signature <u>Frank G. MORKUNAS</u></td></tr><tr><td><input type="checkbox"/> attorney or agent of record. Registration number _____</td><td>Typed or printed name <u>858-565-0799</u></td></tr><tr><td><input checked="" type="checkbox"/> attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34 <u>38,974</u></td><td>Telephone number <u>FEB 24 2009</u></td></tr><tr><td></td><td>Date</td></tr></table> <p>NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.</p> <p><input checked="" type="checkbox"/> *Total of <u>-1-</u> forms are submitted.</p>				<input type="checkbox"/> applicant/inventor.		<input type="checkbox"/> assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)	Signature <u>Frank G. MORKUNAS</u>	<input type="checkbox"/> attorney or agent of record. Registration number _____	Typed or printed name <u>858-565-0799</u>	<input checked="" type="checkbox"/> attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34 <u>38,974</u>	Telephone number <u>FEB 24 2009</u>		Date
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	Date												

This collection of information is required by 35 U.S.C. 132. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11, 1.14 and 41.6. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re application of:

NELSON, Robert W.

Appln. No.: 10/661,302

Examiner: LASTRA, D.

Conf. No.: 7815

Group Art Unit: 3688

Filed: 09/11/2003

Dkt. No.: NELSR-P01

For: ADVERTISING SYSTEM

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313

**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

In response to the final Office action dated November 25, 2008, which rejected Claims 1, 3-12, and 14-19 under 35 U.S.C. § 103, as being unpatentable over Magazine Advertising Guide [Guide] in view of Evans, US 2002-0036,654 ['654] and the Examiner's Advisory action of January 29, 2009, the following Pre-Appeal Brief is submitted for review. This Pre-Appeal Brief is submitted in that the Applicant believes the Examiner has committed a clear error in finding the Claims to be obvious and, in addition to Claim 1, particularly as such relates to Claims 7, 9, 12, and 15.

## **REMARKS/ARGUMENTS**

### **A. Claim Rejections under 35 U.S.C. § 103:**

The claims outstanding in this application are Claims 1, 3-12, and 14-19. The Examiner, in particular and in error, has rejected:

5           1. Claim 1 stating that Guide teaches to charge for an advertising cost for an advertising size wherein said advertising cost incrementally decreases for each incremental increase in said advertising size [referencing Page 6 of Guide];

          2. Claim 7 stating that Guide teaches to receive from said party a discount amount for said consumer to an asking price for a subject matter of said advertisement wherein a larger of said  
10       discount amount given by said party generates an increase in said advertising size for said party and a decrease in said advertising cost for said party [referencing also Page 6 of Guide];

          3. Claim 9 stating that Guide teaches wherein a decrease in cost for an advertising cost of between none to 100% [*i.e.*, **free**] when discounts given range between none to 100%; and

          4. Claims 12 and 15 citing generally the same reasons as for Claims 1, 7, and 9 above.

### **B. Discussion:**

15           1. Page 6 of the Guide, lines 9 through 29, are germane to the Examiner's rationale for rejection [See attachment A]. At line 6, it begins with a statement that the bigger the ad, the more expensive it is and that statement is prefaced with the word "**obviously**". It also provides for discounts to a same-sized ad **only** if the same ad is run more than one time and generally six or more  
20       times. In other words, "the longer the commitment, the more likely it is that, for the same sized ad, a discount to the cost of the ad, per ad, will be given.

          2. **Nowhere** in the Guide does it provide for, in any manner whatsoever, charging less as size increases **without provision** for a long-term commitment. The Guide suggests a lower advertising charge **may be given provided** a long-term commitment is executed [see page 6, lines  
25       17-22 of the Guide].

          3. The Guide clearly states that it is **obvious** that the cost of an ad will increase with an increase in size. The Guide clearly and obviously teaches away from the non-obvious, the unheard-of concept of charging less for the ad while giving more in size without any strings attached.

Moreover, if a longer-term contract is canceled by a party, the party "...will have to pay a "short rate" penalty." No one will "...let you run 6 insertions [ads] at a 12X rate...and perhaps [the party will pay] a little more for [the] trouble." [see page 6, lines 27-29].

4. In addition to Applicant's concept of charging less for an ad as the size of the ad  
5 increases, without any condition or strings attached, Applicant's Claims 7 and 9 [with counterpart claims 12 and 15] will charge even less for the ad when the party buying the ad is willing to give a discount to a consumer who may buy the party's product or service. The greater the discount to the party's product or service that the party is will to give a consumer, the greater the discount in ad cost given to the party placing the ad. This is nowhere to be found in the Guide. It is neither implied,  
10 suggested, or taught--it just does not exist in the Guide. At best it is an unsupported inference.

5. The Examiner in the Advisory action states all the above to be obvious in that a publisher [applicant in our case] may set any advertising rates to be charged to the party [merchant of products of services] the publisher desires having only three options in so doing: [1] higher cost to the party for larger ads; [2] lower costs to the party for larger ads; [3] and same costs for all parties for all  
15 sizes. The concept of party-discounts to consumers having a direct impact on lower the cost of the ad to the party is a limitation that does not fall within the above three enumerated parameters.

6. Advertising in this society, and others similarly situation, has been an on-going long-time business. Nowhere or ever, has a publisher offered to a party greater advertising sizes at lower costs  
20 as the advertising size increases with no strings or long-term commitments. Had such a concept been so obvious, in the course of these many years of advertising, it would have happened.

7. Nowhere is it taught, suggested, or had been done that a publisher offers even lower ad prices in instances where the party [merchant] offers discounts to a consumer [the buyer] in buying the parties products or services. The greater the discount offered by the party [merchant] to the  
25 consumer [buyer] directly affects the cost of the ad published by the publisher in that it lowers the costs.

8. Applicant's Claim 1 defines the unheard-of, the unanticipated, and the opposite and non-obvious advertising concept. The larger the advertisement space/size ordered by a merchant/advertiser in Applicant's system/method, the lower the total cost. For example, as set

forth in applicant's prior submission [which is incorporated herein by reference] an ad encompassing one-fourth of a computer screen may yield a total cost to the merchant/advertiser of x-dollars, while an ad which encompasses one-half of the computer screen would yield a total cost to the merchant/advertiser of 75% of x-dollars, while yet another ad which encompasses the full computer screen would yield a total cost to the merchant/advertiser of 50% of x-dollars or less. All these total costs are not tied to long-term or other commitments as is in the prior art.

9. The additional feature of lowering the total cost of the ad, even lower than described above, is involved in instances where the merchant/advertiser is willing to give the consumer a discount for the purchase of the merchant/advertiser's product or services also is non-existent in the prior art. Consequently, in addition to a lower initial total cost, the merchant/advertiser will realize an even greater lower final total cost if the merchant/advertiser gives the consumer a discount on the merchant/advertiser's products/services. Such total cost will be lower with each increase in discounts the merchant/advertiser gives even to the point of providing the ad to the party at no cost.

10. Applicant contends that these features [greater observable size yields less in total cost for an advertisement regardless of duration AND if a discount is offered by the merchant/advertiser to the consumer, the total cost will be lowered even more. Moreover, the greater the discount being offered by the merchant/advertiser will lower the total cost for the advertisement.

### C. CONCLUSION

In view of the foregoing, allowance of Claims 1, 3-12, and 14-19 pending in this application is respectfully requested.

Respectfully submitted,

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/Frank G. Morkunas/  
  
Frank G. Morkunas  
Reg. No. 38,974, C/N 23,653

Attachments: A - Magazine Advertising Guide, page 6

- certify readership.

## - Buying the Ad

- Your sales person will quote your rates using a "rate card", which is nothing more than a pricing chart. Some magazines actually publish their rate card online. By doing a Google search on the keywords "rate card" I found a few examples:

- PC World

- Business 2.0

- Visual Studio Magazine

Obviously, the bigger the ad, the more expensive it is. Note that special placements cost extra. For example, the back cover ("cover 4") is often the most expensive ad in the magazine. For just over a hundred thousand dollars, you can buy the back cover of PC World magazine, or a three bedroom home in central Illinois.

- The pricing on the rate card is sometimes negotiable. You might as well try. Even if they won't reduce the price, ask them to throw in some freebies. For example, they might give you some free online web ads if you buy their print ads. We never buy ads without asking for something we're not supposed to get :-)

(\*) Ad pricing is structured to encourage you to make long commitments. If you only want to place an ad one time, you will pay full price. If you sign a contract for six insertions, you can get a price break on a per-insertion basis. On the rate card this is called a "6X" rate. An even bigger discount comes when you commit to place your ad in every issue they publish for a full year (or longer). This is usually a 12X rate, but can be even more if magazines do special issues in between their regular monthly edition.

SourceGear is on a 14X contract with Visual Studio Magazine right now. That means we've promised to place a full page ad in every issue for 2003, including their 2 special issues. A contract this long can get painful if you change your mind later or if cash gets tight. Don't sign a full-year contract the first time you place a magazine ad.

(\*) A contract can be cancelled but you'll have to pay them a "short rate" penalty. Basically, they won't let you run 8 insertions at a 12X rate. If you sign a 12X contract and quit after 6, you'll have to retroactively pay the 6X rate, and perhaps a little more for their trouble.

## - What Happens After Your Ad Runs